

Message Text

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C O N F I D E N T I A L EC BRUSSELS 12479

E.O. 11652: GDS
TAGS: ENRG, EEC
SUBJECT: CHEYSSON ON OIL PRICES AND US/EC DIFFERENCES

1. WHEN EC COMMISSIONER CHEYSSON ARRIVED FOR LUNCH CHEZ-MOI
DECEMBER 17 8 EXPRESSED MY INCREDULITY AT WHAT THE WIRE SERVICES
REPORTED HIM AS SAYING ABOUT THE OPEC PRICE RISE AND ITS
RELATIVE IMPACT ON THE UNITED STATES AND EUROPE. WITHOUT
HESITATION CHEYSSON SAID HE HAD BEEN MISQUOTED, THAT HE DIDN'T
KNOW WHAT REUTERS HAD REPORTED, AND THAT HE HAD SET THE
RECORD STRAIGHT AT HIS NOON BRIEFING. I REPLIED THAT I WAS
RELIEVED BY HIS EXPLANATION BECAUSE I HAD THOUGHT HE WAS TOO
SMART TO BE WRONG ABOUT HIS FACTS, TO DISCOUNT THE ABILITY OF
NINE HEADS OF STATE TO MAKE UP THEIR OWN MINDS, AND TO
PROMOTE A NON-EXISTENT GULF BETWEEN THE UNITED STATES AND EUROPE
ON OUR RESPECTIVE APPROACHES TO DEVELOPMENT AND OIL PROBLEMS.
WE LEFT THE MATTER AT THAT AND PROCEEDED TO AN OTHERWISE AMIC-
ABLE, INTERESTING, AND I BELIEVE CONSTRUCTIVE LUNCHEON EXCHANGE.

2. IF THE DEPARTMENT HAD NOT NOTED THE REUTERS' REPORT, IT
FOLLOWS:
QUOTE

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THE COMMON MARKET WILL SUFFER MUCH MORE THAN THE UNITED STATES
FROM THE TWO-TIER OIL PRICE RISE AGREED BY PETROLEUM EXPORTING
COUNTRIES IN QATAR LAST NIGHT, EEC COMMISSIONER CLAUDE
CHEYSSON SAID HERE EARLY TODAY.
HE TOLD JOURNALISTS ATTENDING A MEETING OF EEC FINANCE
MINISTERS THAT THE AMERICANS HAD CONSIDERABLY INCREASED THEIR

IMPORTS IN RECENT MONTHS FROM SAUDI ARABIA AND THE UNITED ARAB EMIRATES WHICH WERE ONLY RAISING THEIR PRICES BY FIVE PERCENT. THE COMMUNITY'S IMPORTS FROM THESE TWO OPEC MEMBERS ON THE OTHER HAND HAD FALLEN AND THE EEC WAS HEAVILY DEPENDENT ON OTHER OPEC STATES WHICH HAD HIKE PRICES BY TEN PERCENT, M. CHEYSSON SAID.

HE NOTED THAT THE COMMUNITY HAD PLAYED ALONG WITH THE UNITED STATES AT ITS HAGUE SUMMIT LAST MONTH IN NOT TAKING ANY INITIATIVES OF ITS OWN IN ITS RELATIONS WITH THE DEVELOPING COUNTRIES OUT OF SOLIDARITY WITH THE AMERICANS.

WHAT HAS HAPPENED SHOWS THAT WE MUST BE LESS DISCREET IN DEFENDING OUR OWN INTERESTS AGAINST THOSE OF THE UNITED STATES, HE SAID.

END QUOTE.

3. THERE IS NOT TRANSCRIPT AS FAR AS WE CAN FIND OUT OF CHEYSSON'S REMARKS EITHER LAST NIGHT OR AT HIS PRESS CONFERENCE TODAY BUT AN AMERICAN CORRESPONDENT WHO ATTENDED THE LATTER TELLS US THAT CHEYSSON DID NOT DENY WHAT WAS ATTRIBUTED TO HIM LAST NIGHT. RATHER, WITH CONSIDERABLE POLITICAL AGILITY HE DANCED AROUND THE ISSUES, AVOIDING REPEATING HIS EARLY INFLAMMATORY LINE.

4. COMMENT: IT SEEMS CLEAR THAT CHEYSSON HAD BEEN CAUGHT AT 4:00 IN THE MORNING WITH HIS GUARD DOWN AFTER PERFORMING AT PARLIAMENT IN LUXEMBOURG ALL DAY AND AT A DIFFICULT FINANCE MINISTERS COUNCIL MEETING ALL NIGHT, AND HAS BEEN PAYING FOR IT TODAY. THAT HE SAID WHAT HE IS REPORTED TO HAVE SAID, I HAVE LITTLE DOUBT. THAT HE REGRETS IT, I CONFIDENTIAL

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HAVE NO DOUBT, THOUGH WHETHER HE DOES NOT ACTUALLY BELIEVE WHAT HE IS REPORTED TO HAVE SAID IS LESS CERTAIN. HINTON

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